

In the Specification:

Please replace the paragraph spanning pages 2 and 3 with the following:

Meanwhile, since a ~~fictitious~~ force generated when the needle is retracted increases in proportion to a knitting speed, the butt may undesirably be retracted further beyond the stitch size determining cam surface of the stitch cam. In this case, the stitch cannot be formed at a predetermined stitch size, causing a negative effect on the knitting of a knitted fabric. When the butt is retracted variably, the stitch formed with the needle of the butt of full height and the stitch formed with the needle of the butt of half height may be made indistinguishable from each other or may be reversed in size under certain circumstances.

Please replace the paragraph spanning pages 4 and 5 with the following:

On the other hand, a stitch size adjustable cam is also known, though not shown, which is designed to adjustably vary the step difference between the stitch size determining cam surface for the butt of full height and the stitch size determining cam surface for the butt of half height, so as to adjust proportions of sizes of the stitches formed. Flat knitting machines having this function include, for example, computer-assisted flat knitting machines (e.g. SET-092FF, SIK-102KI (product name)) manufactured by Shima Seiki Mfg., Ltd.. These flat knitting machines are designed so that a movable cam having the stitch size determining cam surface for the butt of full height is pivotally mounted on the stitch cam which can act on the butt of full height and the butt of half height and a manual adjusting dial is arranged at the outside of the

carriage, so that the movable cam can be changed in rock position to adjust the stitch step difference by turning the adjusting dial. This flat knitting machine can allow the adjustment of the stitch step difference between the stitch size determining cam surfaces, but, since the stitch cam is not provided with any receiving cam to restrict the lowering positions of the butts, the butts can be retracted excessively beyond the stitch size determining cam surfaces. Further, since the adjustment of the stitch step difference between the stitch size determining cam surface of the movable cam and that of the stitch cam is allowed by changing the rock position of the movable cam, the orientation of the stitch size determining cam surface of the movable cam adjusted to the rock position makes a small angle with the orientation of the stitch size determining cam surface of the stitch cam. It is desirable for stitch formation to make the orientation of the stitch size determining cam surface invariable, independently of the stitch step difference, but the second stitch cam of the type designed to allow the adjustment of the stitch step difference by changing the rock position as described above cannot avoid this problem.